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IIB grants a loan to Steppe Metal Powder LLC in support of a high-tech, metal powder plant to be constructed in Mongolia

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International Investment Bank and Steppe Metal Powder LLC (SMP) from Mongolia have concluded a loan agreement for the amount of 8 million euros for a period of 6 years. The first tranche of the loan was transferred on June 5, 2020.

The funds allocated by the Bank will be used for the construction and installation of a modern high-tech plant that will produce copper and copper (bronze, copper and brass) alloy powders in Mongolia.

Introducing the most advanced British and German technologies and equipment, the plant, which is scheduled for a launch at the end of 2020, will have the production capacity of 3,000 metric tons of metal powders per year. Experienced equipment suppliers from Europe and one of world leaders in the metal powder industry are supervising and supporting the construction and equipment installation of the project. Once commissioned, SMP will become the first metal powder producer in Mongolia and elevate the country's industrial potential to a higher level. Taking into account the steadily growing global demand for metal powders, the company is planning to export its products primarily to the countries with high demand for metal powders: the European Union, China, Japan, Korea, and India.

The metal powders produced by SMP will feed the global powder metallurgy industry, which encompasses highly dynamic processes, including metal injection moulding, hot isostatic pressing, sintering and additive manufacturing (3D printing). Being a cost-effective alternative to the traditional metallurgical processes for mass production, powder metallurgy is a pathway to create new materials and products with unique desired characteristics and precision for a variety of applications in industries from automotives and aerospace to the production of diamond tools and electronics.

Steppe Metal Powder LLC, headquartered in Ulaanbaatar, is in a close collaboration with the country's leading copper cathode producer Achit Ikht LLC, which stands among the TOP 100 taxpayers in Mongolia and the country's first company to obtain the London Metal Exchange membership. It is important to note that according to the detailed environmental impact assessment conducted by independent experts, the activities of the SMP plant will not have any negative impact on the environment and society.

“Despite the high level of turbulence in the global economy caused by the COVID-19 pandemic, IIB continues to actively support its member states. This is already the second loan in 2020 granted by International Investment Bank to Mongolian companies,” - **noted Georgy Potapov, Deputy Chairperson of the IIB Management Board** in charge of Lending and Investment. “By creating direct and indirect employment opportunities and giving impetus to

the development of a modern metal processing enterprise with world-class environmental and occupational safety standards, the implementation of this project is extremely important for IIB's efforts to support the economic and social development of Mongolia. This transaction will also allow to increase the volumes of Mongolia's export of semi-fabricated products with a high-level of technological intensity and value-added to international markets, including IIB member states".

At present, the Bank provides loan support to the mining, metallurgical, textile and SME sectors of the Mongolian economy.